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# FOREIGN AGRICULTURE CIRCULAR

U.S. DEPARTMENT OF AGRICULTURE  
Foreign Agricultural Service Washington D.C.



COFFEE  
FCOF 1-67  
January 1967

## WORLD COFFEE CROP SLIGHTLY

## BELOW CONSUMPTION NEEDS

### Summary

The Foreign Agricultural Service's third estimate (December) of the 1966-67 world coffee crop is for a total production of 64.1 million bags <sup>1/</sup>, of which 48.7 million are estimated to be exportable production <sup>2/</sup>. This is a drop of about 1 million bags from the September estimate and is about the same amount below the world's consumption needs. Hence, there should be a drawdown of roughly a million bags in the sizable world coffee stocks.

A lower estimate for Brazil is the principal reason for the smaller third estimate, but the crop in Guatemala is also down from earlier estimates. In addition, Hurricane Inez (in August 1966) was responsible for smaller-than-expected harvests in Cuba, Dominican Republic, and Haiti.

In Africa, the production trend continues upward in Angola, Cameroon, Kenya, and Tanzania, but a smaller crop in Ivory Coast will result in a 1966-67 African crop that is slightly below that of the previous year.

Prices of mild coffees weakened during the latter part of 1966 with the result that the International Coffee Agreement (ICA) quotas for the 17 "Other Mild" producing countries were reduced in December. Prices of Colombian milds also approached the floor level but were still above that level as of this writing.

<sup>1/</sup> All bags in text and tables weigh 132.276 pounds or 60 kilograms.

<sup>2/</sup> Exportable production: Total production minus estimated domestic consumption.

GREEN COFFEE: World total production for marketing year 1966-67, with comparisons 1/

Continent and country	Average 1955/56- 1959/60	1963-64	1964-65	1965-66	3rd estimate 1966-67
	1,000 bags 2/	1,000 bags 2/	1,000 bags 2/	1,000 bags 2/	1,000 bags 2/
North America:					
Costa Rica .....	734	1,100	825	1,025	1,175
Cuba .....	713	475	600	460	500
Dominican Republic .....	549	690	675	615	600
El Salvador .....	1,436	2,000	2,060	1,800	2,100
Guatemala .....	1,357	1,790	1,630	2,030	1,800
Haiti .....	600	530	550	590	525
Honduras .....	321	395	450	460	500
Mexico .....	1,716	2,855	2,650	3,000	2,900
Nicaragua .....	376	450	575	500	580
Panama .....	3/ 27	80	75	60	75
Trinidad & Tobago .....	44	75	75	55	60
Other 4/ .....	427	322	381	314	313
Total North America .....	8,300	10,762	10,546	10,909	11,128
South America:					
Brazil .....	28,300	28,200	10,000	37,400	21,000
Colombia .....	7,360	8,200	7,600	8,200	7,800
Ecuador .....	521	700	935	950	850
Peru .....	324	815	880	885	890
Venezuela .....	835	890	790	825	800
Other 5/ .....	63	128	128	158	135
Total South America .....	37,403	38,933	20,333	48,418	31,475
Africa:					
Angola .....	1,443	2,800	3,100	2,800	3,400
Burundi 6/ .....	(7/)	250	200	200	200
Cameroon 8/ .....	405	800	870	1,000	1,100
Central African Republic .....	3/ 41	210	150	175	200
Congo (Kinshasa) .....	1,195	1,100	950	1,000	1,100
Ethiopia .....	1,100	1,600	1,650	1,600	1,700
Guinea .....	9/ 114	175	150	155	150
Ivory Coast .....	2,130	4,350	3,375	4,550	3,175
Kenya .....	415	740	660	875	900
Malagasy Republic .....	902	835	1,050	885	1,000
Rwanda 6/ .....	(7/)	145	175	175	150
Tanzania .....	375	545	575	750	750
Togo .....	122	230	200	225	200
Uganda .....	1,508	2,900	2,450	2,600	2,700
Other 10/ .....	332	429	432	463	475
Total Africa .....	10,082	17,109	15,987	17,453	17,200
Asia and Oceania:					
India .....	712	1,240	1,100	1,150	1,200
Indonesia .....	1,343	1,900	2,200	2,000	2,000
Philippines .....	199	655	735	715	710
Yemen .....	88	80	90	75	60
Other 11/ .....	179	319	337	337	352
Total Asia and Oceania .....	2,521	4,194	4,462	4,277	4,322
World total production .....	58,306	70,998	51,328	81,057	64,125

1/ Coffee marketing season begins during second half of the calendar year starting some countries like Brazil as early as July 1 and other countries about October 1. Exportable production represents total production minus consumption, except for Brazil prior 1959-60 which was based on "registrations" of current crop minus port consumption and coastwise shipments. 2/ Sixty kilograms or 132.276 pounds each. 3/ 2-year average. 4/ Includes Guadeloupe, Hawaii, Jamaica, and Puerto Rico. 5/ Includes Bolivia, Guyana, Paraguay and Surinam. 6/ Prior 1962-63, was shown as Ruanda-Urundi. 7/ Shown in Congo (Leopoldville) prior 1959-60. Combined exports Rwanda and Burundi in 1959-60 totaled 160,000 bags. 8/ Beginning with 1961-62 includes West Cameroon. Prior 1961-62 this area was identified as Southern Cameroon and production included with Nigeria. 9/ 3-year average. 10/ Includes Cape Verde, Comoro Islands, Dahomey, Gabon, Ghana, Liberia, Nigeria, Congo (Brazzaville), Sao Tome and Principe, Sierra Leone, and Spanish Guinea. 11/ Includes Malaysia, New Caledonia, New Hebrides, Papua and New Guinea, Portuguese Timor and South Vietnam.

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, other foreign source materials, reports of Agricultural Attaches and Foreign Service Officers, results of office research and related information.

GREEN COFFEE: World exportable production for marketing year 1966-67, with comparisons 1/

Continent and country	Average 1955/56- 1959/60	1963-64	1964-65	1965-66	3rd estimate 1966-67
	1,000 bags <u>2/</u>	1,000 bags <u>2/</u>	1,000 bags <u>2/</u>	1,000 bags <u>2/</u>	1,000 bags <u>2/</u>
North America:					
Costa Rica .....	658	980	700	895	1,040
Cuba .....	207	---	---	---	---
Dominican Republic .....	421	540	520	455	435
El Salvador .....	1,327	1,885	1,935	1,670	1,965
Guatemala .....	1,158	1,580	1,420	1,815	1,580
Haiti .....	435	365	385	420	350
Honduras .....	262	320	370	375	415
Mexico .....	1,369	1,855	1,550	1,800	1,600
Nicaragua .....	334	405	525	445	520
Panama .....	<u>3/</u> 10	26	20	5	15
Trinidad & Tobago .....	37	68	65	45	50
Other <u>4/</u> .....	171	55	59	48	43
Total North America .....	6,389	8,079	7,549	7,973	8,013
South America:					
Brazil .....	23,360	21,200	3,000	30,200	13,600
Colombia .....	6,550	7,200	6,500	7,000	6,560
Ecuador .....	422	525	750	760	655
Peru .....	251	630	680	680	680
Venezuela .....	472	395	275	290	250
Other <u>5/</u> .....	44	77	72	102	79
Total South America .....	31,099	30,027	11,277	39,032	21,824
Africa:					
Angola .....	1,427	2,750	3,045	2,740	3,340
Burundi <u>6/</u> .....	(7/)	245	195	195	195
Cameroon <u>8/</u> .....	396	775	840	970	1,070
Central African Republic .....	<u>3/</u> 37	205	145	170	195
Congo (Kinshasa) .....	1,164	1,050	900	950	1,045
Ethiopia .....	850	1,250	1,300	1,245	1,335
Guinea .....	<u>9/</u> 105	160	135	140	135
Ivory Coast .....	2,063	4,300	3,325	4,500	3,120
Kenya .....	399	720	640	855	875
Malagasy Republic .....	812	735	950	785	895
Rwanda <u>6/</u> .....	(7/)	140	170	170	145
Tanzania .....	369	530	560	735	735
Togo .....	121	225	195	220	195
Uganda .....	1,454	2,885	2,440	2,585	2,685
Other <u>10/</u> .....	308	396	398	429	441
Total Africa .....	9,505	16,366	15,238	16,689	16,406
Asia and Oceania:					
India .....	223	620	460	540	585
Indonesia .....	1,120	1,600	1,850	1,650	1,640
Philippines .....	---	---	---	---	---
Yemen .....	74	70	80	65	50
Other <u>11/</u> .....	63	139	147	147	162
Total Asia and Oceania .....	1,480	2,429	2,537	2,402	2,437
World exportable production .....	48,473	56,901	36,601	66,096	48,680

1/ Coffee marketing season begins during the second half of calendar year starting some countries like Brazil as early as July 1 and other countries about October 1. Exportable production represents total production minus consumption, except for Brazil prior 1959-60 which was based on "registrations" of current crop minus port consumption and coastwise shipments. 2/ Sixty kilograms or 132.276 pounds each. 3/ 2-year average. 4/ Includes Guadeloupe, Hawaii, Jamaica, and Puerto Rico. 5/ Includes Bolivia, Guyana, Paraguay and Surinam. 6/ Prior 1962-63, was shown as Ruanda-Urundi. 7/ Shown in Congo (Leopoldville) prior 1959-60. Combined exports Rwanda and Burundi in 1959-60 totaled 160,000 bags. 8/ Beginning with 1961-62 includes West Cameroon. Prior 1961-62 this area was identified as Southern Cameroon and production included with Nigeria. 9/ 3-year average. 10/ Includes Cape Verde, Comoro Islands, Dahomey, Gabon, Ghana, Liberia, Nigeria, Congo (Brazzaville), Sao Tome and Principe, Sierra Leone, and Spanish Guinea. 11/ Includes Malaysia, New Caledonia, New Hebrides, Papua and New Guinea, Portuguese Timor and South Vietnam.

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During the 1965 calendar year, coffee dropped in importance (percentage-wise) as an export earner in both of the world's largest coffee producing countries, Brazil and Colombia, and also in Uganda and Kenya. On the other hand, coffee was even more important as an export crop in 1963 in Haiti, Ecuador, and Malagasy Republic (See Table I).

World coffee stocks on September 30, 1966, are estimated to have been more than 1-1/2 times the world's annual import needs, although not all of this coffee is of exportable quality. Such stocks are expected to be down only slightly at the end of the current coffee marketing year.

### Production

Latin America: Brazil's 1966-67 exportable coffee crop is expected to be about 3.7 million bags below that country's ICA (International Coffee Agreement) quota; however, a drawdown on stocks to meet domestic consumption requirements will readily make enough "new crop" coffee available to fill export needs. That country's diversification program continues to go well and reports are that tree eradication goals will be attained. Exactly what this will mean in terms of production, however, will probably not be fully known until the 1968-69 crop year, or later. The 1967-68 crop will be reduced to some extent by the tree eradication program, but this will give no true indication of the effectiveness of the program since that crop will be reduced anyway due to the frosts of August 1966. As of December 26, 1966, diversification contracts called for the eradication of more than 427 million trees of which 45 percent are in the principal producing States of Paraná and São Paulo, and 34 percent are in Espírito Santo.

The 1966-67 crop in Guatemala is down considerably following the big crop in 1965-66. Unfavorable weather conditions are also said to have added to the production drop in this "down" year. Hurricane Inez in August 1966 has resulted in smaller-than-expected crops in Cuba, the Dominican Republic, and Haiti. In the Dominican Republic, rains during the flowering period were apparently also a factor. Production in Cuba has not been of sufficient volume to permit exports for several years; nor has production been sufficient to permit domestic consumption demands to be freely met. Hence, per capita coffee consumption has been diminishing in a country that once was one of the heaviest per capita consumers in Latin America.

Dry weather has resulted in lower crop estimates in Nicaragua. In Trinidad the 1965-66 crop was disappointing, and the outlook for 1966-67 is for only a slight increase. Increasing production costs and labor shortages have contributed to a smaller-than expected production estimate for Peru in 1966-67. Venezuela continues to try to bring its exportable production back up to a higher level, but it does not appear that the desired level will be reached in 1966-67.

Africa: Production estimates are up for Cameroon as that country moves ahead with plans to increase production considerably by 1971. Most of the planned increase is expected to come from better yields, although there is also a 12-percent increase in acreage scheduled. This is part of a 5-year program of economic and social development and is being partly financed by the European Development Fund of the EEC (European Economic Community). In the Ivory Coast, a "down" year in the production cycle was accentuated by drought with the result that the 1966-67 crop will be the smallest in several years. Though Coffee Berry Disease continues to plague the Kenya crop, coffee output in 1966-67 is expected to be up from previous levels as new coffee trees come into production. The crop is also expected to be larger than previously estimated in Tanzania. In Uganda the 1965-66 crop was below previous estimates, while the 1966-67 estimate remains unchanged.

Asia and Oceania: The crop in India is up from previous estimates and reportedly might have been even larger had it not been for rains in June which caused some loss. India's fourth Five Year Plan (1966-67/1970-71) calls for an increase in production to 85,000 metric tons (1,417,000 bags) by the end of that period. Not all will be available for export, however, since domestic demand is apparently increasing faster than production. Coffee borer infestations are said to be largely responsible for a smaller-than-expected crop in the Philippines, but this will not affect the world exportable supply since this country is usually a net importer.

#### Other Developments

Prices: There has been a general weakening of green coffee prices in the past few months. This especially has been the case for Brazils, Colombians, and "Other Mild" Arabicas. Robusta prices have not declined as much, as demand and availability have been relatively steady. Surpluses, which were previously confined primarily to Brazil and Colombia, are in existence in all production areas. The impact of these surpluses likewise is taking its toll in further weakening prices. The decline in prices has somewhat dampened optimism that followed the August-September meeting of the International Coffee Organization (ICO). It was believed that the price ranges within the selectivity system and other measures would not only permit the flow of coffee by type to meet market demand, but would also stabilize prices. It was not anticipated that the trade would shift its purchasing policies. There was a general feeling that the steps taken by ICO would strengthen the International Coffee Agreement. This may still be the case, but in light of the quota cuts for "Other Mild" producing countries, there is concern as to what the future holds for coffee prices.

In any event, coffee export policy (adherence to quotas) in producing countries is expected to be a very important price determinant during the second quarter (January-March) of the 1966-67 coffee year.

International Coffee Agreement: After April 1, when the ICO's new export-quota-stamp plan comes into effect, the International Coffee Agreement will be put to a new test as most of its loopholes will have been closed. The major threat to the ICA continues to be overproduction, but it is hoped present efforts towards an effective diversification fund will be successful. Time is also an important factor since diversification will affect world coffee supplies chiefly in the long run. Still another factor which could seriously affect the effectiveness of such a fund, and world coffee supplies, are the increasing yields per tree and per acre.

Trade: In 1965, coffee continued to be the major export earner in five of the biggest producing countries and accounted for more than 40 percent of total export earnings in another five countries. Due to the small 1964-65 crop in Brazil, coffee export earnings went below the 50-percent mark (to 44 percent) for the first time in many years. Although this figure is expected to be up considerably in 1966, the general trend in Brazil will be toward less dependence on coffee if its diversification program is as successful as hoped.

World imports of coffee during the 1965-66 coffee year (October-September) are estimated to have been up more than 5 million bags over 1964-65. Heavy movement of "tourist" coffees accounted for a substantial part of the increase. United States imports during 1965-66 totaled 24.1 million bags compared to 20.2 million a year earlier. (The former figure is somewhat inflated and the latter accordingly understated due to a delay in processing documents in September 1965.)

Stocks: World stocks are now estimated to be more than 1-1/2 times the amount needed to satisfy annual world import demand. Part of this supply, however, is known to be of nonexportable quality. Brazil has the bulk of the stocks and most other producing countries had reduced their supplies to manageable levels by the end of the 1965-66 coffee year. U. S. stocks totaled 3.3 million bags at the end of September 1966 compared with 2.7 million on the same date a year earlier. The total on hand December 31, 1966, is estimated to have been down from the September figure. Importing countries will probably avoid any major stock buildups as long as the ICO's price selectivity system remains in effect.



Table I

Coffee: Export value as percent of total exports  
1961-65 <sup>1/</sup>

Continent and country	Year				
	1961	1962	1963	1964	1965
	Percent	Percent	Percent	Percent	Percent
North America:					
Costa Rica .....	49.0	55.5	49.7	42.2	41.7
Dominican Republic .....	10.0	11.6	10.6	17.0	16.1
El Salvador .....	58.9	55.5	48.5	52.1	50.6
Guatemala .....	62.8	62.4	49.5	46.5	46.0
Haiti .....	41.0	69.8	36.8	47.8	55.6
Honduras .....	13.0	14.7	17.3	17.9	18.3
Mexico .....	9.0	7.9	4.6	9.2	6.7
Nicaragua .....	25.4	17.1	16.4	16.9	17.9
South America:					
Brazil .....	50.6	52.9	53.1	53.1	44.3
Colombia .....	70.9	72.9	69.4	73.5	63.8
Ecuador .....	15.1	17.8	13.8	16.7	28.6
Peru .....	4.6	4.5	4.7	5.5	4.5
Venezuela .....	1.0	.7	.9	.7	.6
Africa:					
Angola .....	36.1	43.7	40.1	48.7	50.7
Congo, Kinshasa .....	N.A.	3.8	6.8	8.0	5.2
Cameroon .....	21.2	20.4	20.2	27.6	23.2
Ethiopia .....	49.6	54.6	50.5	61.3	64.8
Ivory Coast .....	46.2	39.7	43.1	42.6	42.6
Kenya .....	30.0	27.9	25.1	32.7	26.9
Malagasy Republic .....	29.0	31.9	28.9	26.8	31.5
Tanzania .....	12.7	12.8	10.8	15.8	13.6
Uganda .....	30.4	53.6	52.8	54.9	48.5
Asia and Oceania:					
India .....	1.1	1.2	1.1	1.0	1.4
Indonesia .....	1.7	1.8	2.8	3.7	4.5

<sup>1/</sup> This table is subject to revision.

N.A. = Not available.

Table II

GREEN COFFEE: Exports for specified countries by country of destination, calendar year 1965

Country of destination	Angola	Brazil	Colombia	Guatemala	Ivory Coast	Mexico
	Bags 1/	Bags 1/	Bags 1/	Bags 1/	Bags 1/	Bags 1/
Europe:						
Austria .....	2,967	15,883	495	1,058	---	---
Belgium-Luxembourg .....	111,167	343,755	140,656	42,573	---	3,067
Czechoslovakia .....	---	98,221	25,436	---	---	6,657
Denmark .....	4,683	610,194	44,099	5,330	---	2,890
Finland .....	11,600	285,770	154,286	18,904	---	966
France .....	239,783	487,550	36,135	2,128	1,253,116	1,517
Germany, East .....	---	705,082	78,658	---	---	---
Germany, West .....	76,050	269,945	807,981	290,251	55,433	82,802
Greece .....	---	138,265	---	---	---	---
Hungary .....	6,333	94,988	14,577	---	18,467	---
Italy .....	2,550	567,955	50,470	8,881	241,283	497
Netherlands .....	541,667	478,853	242,782	84,107	3,433	4,547
Norway .....	7,417	334,710	29,097	11,978	---	---
Poland .....	22,667	89,296	50,418	---	71,917	5,072
Portugal .....	221,167	---	---	---	---	---
Spain .....	19,383	118,736	300,170	16,667	17,200	2,923
Sweden .....	10,316	960,160	300,953	13,488	---	---
Switzerland .....	28,300	33,899	35,197	11,386	---	36,743
United Kingdom .....	8,916	49,499	39,634	1,116	---	583
USSR .....	---	249,994	11,667	---	---	---
Yugoslavia .....	---	209,899	33,919	---	---	---
Others .....	---	200,182	---	138	1,000	---
Total .....	1,314,966	6,342,836	2,396,629	508,005	1,661,849	148,264
North America:						
Canada .....	28,350	262,884	117,639	9,061	---	15,620
United States .....	1,283,700	6,013,261	3,035,838	952,721	806,700	1,128,366
Total .....	1,312,050	6,276,145	3,153,477	961,782	806,700	1,143,986
South America .....	---	617,700	39,654	---	---	350
Africa .....	15,551	74,937	1,371	58,262	240,167	---
Asia and Oceania .....	10,233	170,763	43,079	53,317	276,766	8,720
Not specified .....	---	---	872	---	108,684	---
Grand total .....	2,652,800	13,482,381	5,635,083	1,581,366	3,094,166	1,301,320

1/ 60 kilograms or 132.276 lbs. each.

Foreign Agricultural Service

Table III

GREEN COFFEE: Estimated world supply and distribution  
Marketing years 1946-47 to 1966-67

Marketing year	Beginning carry-over	Production	Total supply	Net exports	Domestic distribution:	Ending carry-over
	: 1,000 bags 2/	: 1,000 bags 2/	: 1,000 bags 2/	: 1,000 bags 2/	: 1,000 bags 2/	: 1,000 bags 2/
1946-47	16,390	35,308	51,698	27,158	7,490	17,050
1947-48	17,050	34,618	51,668	30,848	8,292	12,528
1948-49	12,528	39,095	51,623	32,266	9,330	10,027
1949-50	10,027	37,615	47,642	31,205	8,304	8,133
1950-51	8,133	38,164	46,297	31,593	8,163	6,541
1951-52	6,541	38,530	45,071	32,152	7,646	5,273
1952-53	5,273	41,513	46,786	32,939	8,236	5,611
1953-54	5,611	43,996	49,607	33,458	9,656	6,493
1954-55	6,493	42,188	48,681	29,219	8,266	11,196
1955-56	11,196	50,348	61,544	38,296	6,731	16,517
1956-57	16,517	45,420	61,937	36,203	10,778	14,956
1957-58	14,956	55,009	69,965	37,340	8,779	23,846
1958-59	23,846	61,665	85,511	38,977	9,664	36,870
1959-60	36,870	78,919	115,789	42,351	12,498	60,940
1960-61	60,940	65,768	126,708	44,220	12,954	66,534
1961-62	66,534	72,043	138,577	45,361	13,768	72,448
1962-63	72,448	67,387	139,835	47,909	13,971	70,655
1963-64	70,655	70,990	141,645	49,214	14,089	78,342
1964-65	78,342	51,272	129,614	45,400	14,671	69,543
1965-66	69,543	80,878	150,421	49,000	13,971	87,450
1966-67	87,450	65,184	152,634	50,000	15,430	87,204

Note: In recent years some of the carry-over stocks were not of exportable quality.

1/ Domestic distribution in producing countries.

2/ 132.276 lbs. each.

3/ Stocks reduced by 3 million bags which were allocated for industrial use in Brazil.

4/ Stocks reduced by 7 million bags which were destroyed in Brazil in mid-1961.

5/ Stocks reduced by 7.3 million bags due to revision in IBC stocks.

Foreign Agricultural Service. Official estimates of foreign countries, other foreign source material, reports of Agricultural Attaches and Foreign Service Officers, results of office research and related information.







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